

Response to Questions on the FY 2017 Budget

Request By: Supervisor Herrity

Question: When was the last time the balance at Third Quarter was \$0?

Response: A five-year history of General Fund Third Quarter balances is shown in the table below. In each year, the ending balance not required to meet Managed Reserve requirements has been allocated to other reserves, including the Sequestration Reserve, the Litigation Reserve, and reserves for the development of the subsequent year's budget, leaving a final available balance of \$0. As a result of recent efforts to eliminate the use of one-time funds for recurring requirements, Third Quarter ending balances have decreased as available resources have been utilized for one-time requirements in the current year.

The purpose of the reserves held outside of the Managed Reserve has also changed. The entire ending balance after Managed Reserve requirements in FY 2011 and FY 2012 was allocated to reserves that were held to balance the subsequent year's budget. However, in FY 2013 the largest allocations were to the Sequestration Reserve and the Litigation Reserve, and in FY 2014 the entire \$7.7 million balance was held in the Sequestration Reserve. In FY 2015, the entire ending balance was attributed to the Managed Reserve. However, it should be noted that as part of adjustments included in the *FY 2015 Third Quarter Review*, additional contributions were made to the Revenue Stabilization Fund and the Litigation Reserve (in Fund 60000, County Insurance) in anticipation of the new Board policy on reserves approved as part of the FY 2016 budget process.

	FY 2011 Third Quarter	FY 2012 Third Quarter	FY 2013 Third Quarter	FY 2014 Third Quarter	FY 2015 Third Quarter
Total Ending Balance	\$116,175,478	\$130,624,545	\$87,778,641	\$81,677,126	\$75,915,037
Less:					
Managed Reserve	\$68,041,222	\$69,340,654	\$71,884,864	\$73,979,246	\$75,915,037
Reserves Used to Balance Subsequent FY Budget	48,134,256	61,283,891	2,794,009		
Sequestration Reserve			8,099,768	7,697,880	
Litigation Reserve			5,000,000		
Total Available	\$0	\$0	\$0	\$0	\$0